
To: 2010 Tax Credit Recipients

Notice: **MFD-10-21**

From: IHCDA Multi Family Department

Date: September 21, 2010

Re: **2010 Rental Housing Tax Credit 10% Test and Carryover Allocation**

2010 rental housing tax credit developments that received a Conditional Reservation are required to meet the 10% test in accordance under Section 42 of the Internal Revenue Code of 1986, as amended and the [2009-2010 Qualified Allocation Plan](#) by November 12, 2010.

Due to the current challenges in the equity market, IHCDA is extending the 10% test deadline to **June 30, 2011**.

If the development intends to request a carry forward allocation for 2010 rental housing tax credits, all other necessary requirements of the Carryover election must be met and the documentation submitted to appropriate Multi-Family Analyst no later than November 12, 2010. The Carryover Agreement is available in [Form D](#).

RHTC & 1602 Exchange Developments:

Developments that received both RHTC and 1602 Exchange must complete a 10% Test, 30% Test, and Carryover using the appropriate form for each program. Developments are prohibited from consolidating the Carryover or Percentage Test documents to meet the requirements of each program. For more information on meeting the 1602 Exchange 30% Test please refer to [MFD Notice-10-16](#).

IHCDA encourages developments that meet the 1602 Exchange 30% Test to also submit their RHTC 10% Test at the same time.

The following page list the deadline summary and appropriate form for the RHTC & 1602 Exchange Program.



Section 42 - Rental Housing Tax Credit		
Requirement	Required Form	Deadline
Carryover Agreement	Form D – Carryover Agreement	November 12, 2010
10% Test	Form N – 10% Test Documentation	June 30, 2011

1602 Exchange Funds		
Requirement	Required Form	Deadline
Carryover Agreement	1602 Carryover Agreement	30 Days From Award Date
30% Test	30% Test Documentation	*January 5, 2011

*Development must meet the 30% Test by December 31, 2010.

Reminder: Each applicable form must be completed for each program. Consolidating the forms to meet both programs is prohibited.

